

## **CRT AUDIT POLICY AND PROCEDURES FOR THE HEARST RANCH CONSERVATION PROJECT**

A. **PURPOSES:** CRT's audit policy and procedures are intended to reinforce CRT's effective stewardship in its rangeland conservation program and to assure accountability to the public and private entities that provide funding in support of that program.

B. **AUDIT COMMITTEE:** The membership of the Audit Committee will be as follows:

1. A CRT Director - For those projects where the selected director owns or leases the subject property, or has been part of the monitoring group for the properties selected, an alternative director will be selected.
2. Secretary for the Resources Agency, Under Secretary for the Resources Agency, Deputy Secretary for the Resources Agency, or, in the case of a project funded by the Wildlife Conservation Board, the Executive Director of that Board.
3. Certified Range Manager – chosen by the President of the Cal-Pacific section of the Society for Range Management.
4. Landowner.

Each year the Audit Committee members shall select a member to serve as the chairperson of the Audit Committee.

C. **SELECTION OF AUDITORS:** The Audit Committee will select each auditor engaged by CRT to conduct an audit of one or more of CRT's conservation easement projects. Each such selection shall be made by consensus. This requirement for consensus is adopted in recognition of the common interest of the committee members in ensuring a reliable and credible audit process, and with the expectation that the members will work cooperatively towards that end. Each auditor must have the education and professional experience qualifications required by the California Section of the Society for Range Management in its Program for Certification of Professional Rangeland Manager (set forth in the Attachment). A Certified Rangeland Manager (certified by and a member in good standing of the Cal-Pacific Section of the Society for Range Management) may be deemed by the Audit Committee to satisfy those requirements. In the event that natural resources in addition to rangeland resources are protected under a particular conservation project (such as when the project is serving a mitigation function by the protection of particular species and their associated habitat, or the easement area includes a substantial component of non-grazing land), the Audit Committee shall take such additional natural resources into account in determining the education and professional experience requirements appropriate for the auditor who will address such additional natural resources. When reasonably necessary to assure a comprehensive audit, the Audit Committee may select more than one auditor for a project; however, in that event the Audit Committee shall carefully define the respective scopes of work for each auditor selected so as to avoid overlap in the audit services (and the unnecessary expenses associated therewith). To avoid potential conflicts of interest, no person shall be selected to provide audit services while serving on the Audit Committee.

D. **ENGAGEMENT OF AUDITORS:** Each auditor selected to conduct audit services for CRT shall be required to enter into a standard form of professional services contract that has been pre-approved by the Board of Directors of CRT as a condition of engagement for the proposed audit

services, which contract shall set a “not to exceed” limit on compensation for the audit services and shall contain such other appropriate terms and conditions as the Board of Directors shall approve for the audit process. If a selected auditor declines to enter into such contract, the Audit Committee shall select another auditor.

E. AUDIT ELEMENTS: For each audit, the scope of services will include:

1. The auditor’s review of the conservation easement language and CRT’s monitoring protocol for the project to identify monitoring requirements.
2. The auditor’s review of the baseline report and management plan(s) to analyze any changes identified in the monitoring process.
3. The auditor’s review for completeness of the record of monitoring activities prepared by CRT since the last audit of the conservation easement project, including monitoring reports and such additional records as may be included in the file to document resolution of any easement compliance issues.
4. The auditor’s on-site verification of a representative sample of monitoring report elements.
5. The auditor’s written report of findings with respect to Items 2 and 3, above, and recommendations, if any, for follow-up action.

A CRT staff person or director familiar with the conservation easement project will accompany the Auditor during the property visit, and the landowner will be encouraged to participate. CRT’s annual monitoring visit for a project shall be coordinated with the audit schedule for that project, to minimize CRT’s expenses and the burden on the landowner.

F. FREQUENCY OF AUDITS: Each conservation easement project shall be audited not less frequently than once every five years. The Board of Directors may approve a more frequent audit schedule for a particular project upon the recommendation of the Audit Committee if extraordinary circumstances indicate the need for such additional action.

G. AUDIT COMMITTEE REVIEW: The Audit Committee shall review each audit report for completeness and direct any necessary follow-up action by the auditor in accordance with the professional services agreement. The Audit Committee, acting by consensus, may decide that inspection by the audit Committee of the subject easement property is appropriate to adequately inform the Audit Committee’s review of one or more elements of the audit report. The scope of any such inspection will be limited to assessing the conditions of the conservation values being protected under the subject conservation easement project. The auditor for the project will be involved or not in any such inspection at the discretion of the Audit Committee. The requirement for consensus of the Audit Committee in these processes is adopted in recognition of the common interest of the committee members in ensuring a reliable and credible audit process, and with the expectation that the members will work cooperatively towards that end. Once the Audit Committee has determined an audit report to be complete, it shall present to the Board of Directors with respect to that report: (1) the Audit Committee’s written finding of completeness; and (2) the Audit Committee’s recommendations, if any, for follow-up action to address any monitoring or enforcement shortcomings identified in the report. The submitted report shall be approved by a majority of the members; any member may submit a separate statement with respect to the report expressing that member’s personal opinions.

H. ANNUAL AUDIT BUDGETING: Upon determining the audits needed to be performed in a particular calendar year, the Audit Committee shall prepare and present for approval by the Board of Directors a proposed budget for such audit activities. The Board shall act on such budget

proposal at its first regularly scheduled meeting following the submittal of such budget. No auditor shall be engaged prior the Board's approval of the annual audit budget.

I. CONFIDENTIALITY OF AUDIT RECORDS: Each audit report and all written records of the deliberations of the Audit Committee shall be treated as confidential business records and shall not be circulated to anyone other than current members of the Audit Committee, the CRT management and staff, and the Board of Directors, except pursuant to authorization for further distribution by the Board of Directors.

## *Attachment*

### ***California Section, Society for Range Management Program for Certification of Professional Rangeland Manager***

The California Section of the Society for Range Management (CA-SRM) seeks to promote and strengthen professional standards in all activities devoted to rangeland resources. The CA-SRM's professional certification program is designed to evaluate the education and professional experience of rangeland managers.

A professional rangeland manager applies scientific principles to the art and science of managing rangelands and range. Rangelands are lands supporting grass, shrub, and savanna vegetation types. Range is land grazed by livestock. This program of certification is a service provided by the CA-SRM as a means for demonstrating the special expertise required to practice as a professional rangeland manager.

Certification constitutes recognition by the CA-SRM that, to its best knowledge, an applicant meets minimum educational, experience, and ethical standards adopted by the CA-SRM for professional rangeland managers. This program serves the unique needs for certification of professional rangeland managers in California and is not intended to compete with the Society for Range Management's certification of Range Management Consultants.

#### **I. Purpose:**

Establish minimum standards for professional rangeland managers and provide a process for rangeland managers to demonstrate professional competency.

#### **II. Certification categories:**

Certificates will be issued in two categories.

- A. A Certified Rangeland Manager (CRM) meets the educational experience requirements and experience requirements.
- B. An Associate Rangeland Manager (ARM) meets the educational requirements. This category is intended as a preliminary step towards full certification.

#### **III. Requirements for eligibility:**

Evidence of eligibility will be furnished by the applicant as a completed application form and pertinent supporting documents. Certification does not constitute a guarantee by CA-SRM that the applicant meets any certain standard of competence or possesses any specific knowledge. Requirements for certification, periodic renewal, and decertification may be changed upon majority vote of the Board of Directors, CA-SRM.

##### **A. Education:**

- 1. Completion of a course of study in a college or university leading to a bachelor's or higher degree.

2. A degree in range management or completion of coursework including the following topics: rangeland ecology, rangeland plant physiology, rangeland animal management, rangeland policy and planning, and rangeland measurements.
3. Other combinations of education and experience may, at the discretion of the Certification Committee, be accepted as equivalent to requirements 1 and 2, above.
4. Completion of minimum educational requirements permits application for associate status.

**B. Experience:**

1. Five years (60 months full-time equivalent) of qualifying professional experience.
2. Qualifying experience begins after completion of minimum educational requirements.
3. All qualifying experience must be directly related to range and/or rangeland management and include demonstration of the application of rangeland management principles. Experience in a California rangeland type is required.
4. Qualifying experience is defined as those activities demonstrating professional competence in the science, art, and practice of managing and using for human benefit the natural resources that occur on and in association with rangeland and range, and more particularly classified as:
  - (a) rangeland vegetation management, which includes the management of vegetation composition and productivity, animal habitat, revegetation, and the control of undesirable plants.
  - (b) rangeland animal management, which includes the management of wild and domestic herbivores, including development of grazing systems, and practices for managing and controlling livestock on range.
  - (c) rangeland ecology, which includes the protection of natural vegetation, ecosystem restoration and rehabilitation, and research into ecosystem and landscape processes.
  - (d) rangeland policy and planning, which includes the development of rangeland and range management plans, and analysis and interpretation of laws and policies pertaining to rangeland and range management.
  - (e) rangeland measurements, which includes rangeland resource assessment and analysis of range condition.
  - (f) an understanding of economics as it relates to sustainable rangeland productivity.

5. Education toward a higher degree may be substituted for up to 2 years (24 months) of experience.

**C. References:**

1. Three letters of reference by professional rangeland managers attesting to the applicant's qualifications. At least one letter must be from a Certified Rangeland Manager.

**D. Ethical and Continuing Education requirements:**

1. All applicants must pledge to conduct their activities in accordance with the Code of Ethics of the Society for Range Management, quoted below.

“Each member will:

- i. foster an environment where all people are encouraged to participate in the Society and management and enjoyment of rangelands;
- ii. use her/his knowledge, skills, and training when appropriate to find ways to harmonize people's needs, demands, and actions with the maintenance and enhancement of natural and managed rangeland ecosystems;
- iii. promote competence in the field of range management by supporting high standards of education, employment, and performance;
- iv. manage or perform services consistent with the highest standards of quality, integrity, and with respect for the rangeland plant and animal resources, the employer, and the public; soil, water, air;
- v. disseminate information to promote understanding of, and appreciation for, values of rangelands to those with a direct involvement in range management, and to the general public as well;
- vi. offer professional advice only on those rangeland issues in which they are informed and qualified through professional training and experience;
- vii. in any communication, give full and proper credit to, and avoid misinterpretation of, the work, ideas, and achievements of others; and
- viii. encourage the use of sound biological information in management decisions.”

2. The CRM learns about new developments in rangeland science and management through participation in professional society and continuing education activities. The Panel on Certification shall request CRM's to document activities related to continuing education and maintaining currency in the professional discipline.

- E. Examination:** Each applicant for CRM will be required to pass an examination to be conducted by the Certification Panel.

**IV. Certification panel:**

The certification panel shall be comprised of at least six licensed CRM's, chosen to represent a broad cross-section of employment, expertise, and interests. The panel shall determine the eligibility of all applicants and shall have authority to confer and renew certification as professional rangeland manager. The panel will have authority to review allegations of

misconduct and take appropriate actions, including decertification. Members of the panel will be appointed to staggered three-year terms by the Board of Directors of the CA-SRM.

**V. Schedule of Fees:**

- A. Application fees shall be:
  - 1. Certified rangeland manager: \$50.00 for members of the California Section, \$100.00 for non-members.
  - 2. Associate rangeland manager: \$25.00 for members of the California Section, \$50.00 for non-members. Application fee for change of status from ARM to CRM: \$25.00 for Section member, \$50.00 for non-member.
- B. Fee schedules are subject to change by recommendation of the Panel on Certification and approval of the Section Board of Directors.

**VI. Appeals:**

Appeals of certification denial may be made through the Panel on Certification for review by the Section Board of Directors. The Board may review actions by the panel upon request from any applicant for certification.

**VII. Violations of professional standards:**

- A. A charge of misconduct against an Associate or Certified Rangeland Manager may be filed by transmitting to any member of the Panel on Certification a sealed statement of the charge. Such a statement must be accompanied by an affidavit of the complainant setting forth the allegations on which the charge is based, including dates, and the specific conduct involved. Copies of the charge, affidavit, and supporting documentation shall be transmitted to the members of the Panel on Certification. The Panel shall review the charge and within 20 days of receipt of the charges determine, by majority vote if necessary, if further inquiry is warranted.
- B. If the panel determines that further inquiry is warranted, the Chair of the Certification Panel shall notify the ARM or CRM of the specific charge by forwarding copies of the charge, affidavit, and all supporting documentation and request a written response from the ARM/CRM be filed with the Certification Panel within 30 days.
- C. Upon receipt of the ARM or CRM's response the Panel on Certification shall review the evidence and make a recommendation. The recommendation will be forwarded to the Board of Directors of the California Section of the Society for Range Management who will then make a final decision.
- D. Failure to respond to a complaint without written explanation shall be deemed admission of misconduct.
- E. Appeals of decisions may be made within 30 days of notification of action by notifying the Chair of Panel on Certification. Upon appeal the complainant and

the ARM/CRM will be permitted to supply any additional information in support of the action. These materials will be reviewed by the Panel on Certification which will again make a recommendation to the Board of Directors. The Board will reconsider the evidence and, on an appeal, the complainants and the ARM/CRM will have the right to appear in person before the Board of Directors. The Board of Directors will then issue a final ruling.

- F. Disciplinary actions that may be taken by the Board of Directors, upon recommendation from the Panel on Certification against a ARM or CRM found incompetent or in violation of the code of ethics, include censure, suspension of certification for a specified time, or revocation of certification.

Source: <http://www.casrm.org/CERT2RQM.pdf>.